

Water Marketing – Montana Area Office – Great Plains Region – Bureau of Reclamation

The Montana Area Office manages 13 Reclamation Projects in Montana east of the continental divide. Three of the projects in our area currently have water available to market. The projects are the Yellowtail Unit, the Lower Marias Unit and the Canyon Ferry Unit.

All three were authorized by the Flood Control Act of December 22, 1944, (Public Law 534) as part of the Pick-Sloan Missouri Basin Program (P-SMBP), and are multi-purposes projects. Water from these projects can be used for a variety of purposes like irrigation, flood control, power generation, municipal and industrial uses, fish & wildlife, and recreation.

Yellowtail Unit

Reclamation currently has 1 water service contract from Yellowtail for 6000 acre feet per year of the approximate total of 310,000 acre feet available. In addition the Northern Cheyenne Settlement Act allocated 30,000 acre feet of storage to the Northern Cheyenne Tribe to be marketed as they choose. Any additional water marketing by Reclamation from Yellowtail is limited to 2 year terms by the Settlement Act.

Lower Marias Unit

Reclamation currently administers contracts for about 14,000 acre feet per year from Lake Elwell. The current contractor's divert water either directly from the reservoir or downstream on the Marias River. Approximately 236,000 acre feet are available to market. We receive 1 or 2 requests per year for new contracts for irrigation.

Canyon Ferry Unit

Canyon Ferry Reservoir provides storage for Helena Valley, East Bench and Crow Creek Units of P-SMBP. Between 1956 and 1965, contracts were executed with Helena Valley Irrigation District, the City of Helena, Toston Irrigation District, and the East Bench Irrigation District, for a water supply using storage from the Canyon Ferry Unit. These contracts were all recently renewed.

In addition to providing water to these 3 P-SMBP units, Reclamation currently administers contracts for about 10,000 acre feet of water directly from Canyon Ferry Storage.

Approximately 290,000 acre feet are available for marketing.

A primary purpose of the Canyon Ferry Unit was to provide storage for both upstream and downstream irrigation development. In order to develop upstream irrigation, it is necessary to satisfy all downstream senior water rights, including those held by the Montana Power Company (now PPL Montana) for their hydroelectric generating plants. Canyon Ferry was constructed so that water could be sold to upstream users and releases could be made from the reservoir to meet the downstream senior water rights. The upstream users could divert water from the stream beds and Canyon Ferry would make up for the diverted flows through reservoir releases.

Few upstream water contracts were entered into in the early years of the project and those which were, diverted water directly from the reservoir. Reclamation routinely objected to water rights applications by potential users upstream of Canyon Ferry under the premise that no un-appropriated water was available (except for periods of time when Canyon Ferry was spilling). Additionally, Reclamation objected to the upstream uses because it was the intent of Congress to have water users who benefited from the project, pay a portion of the cost of the project.

In the early 1980's, the DNRC accused the Reclamation of wasteful practices by not "beneficially" using the storage available in the Canyon Ferry Reservoir. Through the "use it or lose it" principle, the DNRC stated that Reclamation no longer had the right to prescribe the use of the storage waters of the reservoir. DNRC began to take action to issue water permits to upstream requestors. This action was objected to jointly by Reclamation and the Montana Power Company and the case was taken to State District Court. The State Judge ruled in favor of Reclamation and the Montana Power Company. As a result of the decision, the MPC, DNRC and Reclamation agreed to a procedure in which a water permit could be granted by DNRC only after the applicant obtained a water service contract from Reclamation.

Current Status

At Canyon Ferry we currently have 2 long term (40 year) contracts in place based on this replacement concept, and about 25 short term (5 year) contracts for municipal or lawn and garden use with junior water right holders. Each contractor pays a share of Canyon Ferry operation and maintenance plus a per acre foot rate for the water. Revenue from these contracts is applied to the repayment of the project.

During the last several years DNRC staff has referred water right applicants from upstream and downstream of Canyon Ferry to the Montana Area Office to secure water service contracts for Canyon Ferry storage as a requirement to receive a State water right permit.

Initially, we entered into 2 long term contracts, with Source Giant Springs, downstream and Treeline Springs, upstream. Subsequent applicants were told that we were not entering long term contracts for water from either the Lower Marias or Canyon Ferry Units until we complete our internal study of the Upper Missouri River Basin. The study is being conducted to evaluate the overall basin hydraulics and was formulated to enable Reclamation to prepare for ESA consultation with the U.S. Fish and Wildlife Service on water operations at Reclamation facilities in the Missouri River basin above the Fort Peck Reservoir.

Reclamation believes it is beneficial for this study to be completed before any additional new long-term contracts are entered. However, because the duration of the study is yet unknown, and the requests continue to come in we are now entertaining requests for contracts with terms of up to 10 years from both the Canyon Ferry and Lower Marias Units.

Thank you